

Message Text

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ORIGIN EB-07

INFO OCT-01 NEA-10 ISO-00 L-03 SIG-02 MMO-04 IO-13 AF-08
ARA-10 EA-09 EUR-12 JUSE-00 FTC-01 SEC-01 COME-00
PA-02 PRS-01 USIA-15 CIAE-00 INR-07 NSAE-00 H-02
AGRE-00 CEA-01 DODE-00 FRB-01 INT-05 LAB-04 NSC-05
AID-05 CIEP-02 SS-15 STR-04 ITC-01 TRSE-00 SP-02
OMB-01 FEA-01 /155 R

DRAFTED BY EB/IFD/BP:WBLOCKWOOD:VJW

APPROVED BY EB/IFD/BP:HJWINTER

EB/IFD - RRYAN

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NEA/RA - DMORRISON

L/NEA - DSMALL (INFO)

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P 112048Z JAN 77

FM SECSTATE WASHDC

TO ALL DIPLOMATIC AND CONSULAR POSTS PRIORITY

USINT BAGHDAD PRIORITY

UNCLAS STATE 005887

INFORM CONSULS

E.O. 11652: N/A

TAGS: ETRD, PFOR

SUBJECT: ANTITRUST: PROPOSED SETTLEMENT OF BECHTEL CASE

BY CONSENT DECREE

REF: (A) 76 STATE 11754, (B) 76 STATE 12764

1. ON JANUARY 10 THE DEPARTMENT OF JUSTICE SIMULTANEOUSLY
NOTIFIED THE DEPARTMENT AND ISSUED A PRESS RELEASE REGARD-
ING A PROPOSED CONSENT DECREE FILED THE SAME DAY IN THE
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U.S. DISTRICT COURT SAN FRANCISCO WHICH WOULD TERMINATE
THE CIVIL ANTITRUST SUIT AGAINST BECHTEL CORPORATION FOR
ITS ALLEGED INVOLVEMENT IN THE ARAB BOYCOTT. THERE FOLLOWS
THE TEXT OF THE PRESS RELEASE WHICH SUMMARIZES THE TERMS
OF THE SETTLEMENT:

QUOTE: THE DEPARTMENT OF JUSTICE TODAY FILED A PROPOSED

CONSENT DECREE THAT WOULD TERMINATE A CIVIL ANTITRUST SUIT AGAINST BECHTEL CORPORATION AND FOUR OF ITS AFFILIATES OR SUBSIDIARIES.

ATTORNEY GENERAL EDWARD H. LEVI SAID THE PROPOSED DECREE WHICH WILL BECOME FINAL AFTER IT IS APPROVED BY THE COURT, WAS FILED IN U.S. DISTRICT COURT IN SAN FRANCISCO.

BECHTEL CORPORATION, HEADQUARTERED IN SAN FRANCISCO, IS ONE OF THE NATION'S LARGEST HEAVY CONSTRUCTION FIRMS AND IS CURRENTLY EMPLOYED ON SEVERAL LARGE CONSTRUCTION PROJECTS -- VALUED IN EXCESS OF SEVERAL BILLION DOLLARS -- IN ARAB LEAGUE NATIONS.

ASSISTANT ATTORNEY GENERAL DONALD I. BAKER, IN CHARGE OF THE ANTITRUST DIVISION, SAID THE SUIT, CHARGING A VIOLATION OF SECTION 1 OF THE SHERMAN ACT, ALLEGED THAT THE BECHTEL DEFENDANTS IMPLEMENTED A CONSPIRACY TO BOYCOTT CERTAIN PEOPLE AND FIRMS BY REFUSING TO DEAL, AND REQUIRING OTHERS TO REFUSE TO DEAL, WITH UNITED STATES SUPPLIERS OF GOODS OR SERVICES BLACKLISTED BY ARAB LEAGUE COUNTRIES IN CONNECTION WITH THE ARAB BOYCOTT OF ISRAEL.

THE PROPOSED JUDGMENT WOULD PROHIBIT THE DEFENDANTS, EXCEPT IN CERTAIN LIMITED CIRCUMSTANCES, FROM:

-- PERFORMING, IMPLEMENTING, OR ENFORCING ANY PROVISION OR TERM OF ANY AGREEMENT PROVIDING FOR THE BOYCOTT OF ANY UNITED STATES BLACKLISTED PERSON;
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-- REQUIRING ANY OTHER PERSON OR FIRM TO BOYCOTT ANY UNITED STATES BLACKLISTED PERSON;
-- ENTERING INTO ANY AGREEMENT WITHIN THE UNITED STATES WHICH PROVIDES FOR THE BOYCOTT OF ANY UNITED STATES BLACKLISTED PERSON BY THE DEFENDANTS OR ANY OTHER PERSON;
-- ASSISTING ANY OTHER PERSON IN THE PERFORMANCE, IMPLEMENTATION, OR ENFORCEMENT IN THE UNITED STATES OF ANY AGREEMENT WHICH PROVIDES FOR THE BOYCOTT OF ANY UNITED STATES BLACKLISTED PERSON;
-- EXCLUDING ANY UNITED STATES BLACKLISTED PERSON FROM RECOMMENDATIONS, EVALUATIONS, OR LISTS OF POSSIBLE SUPPLIERS OF GOODS OR SERVICES IN CONNECTION WITH MAJOR CONSTRUCTION PROJECTS;
-- SELECTING OR PERFORMING PROCUREMENT SERVICES IN

CONNECTION WITH THE SELECTION OF A SUPPLIER OF GOODS OR SERVICES PRODUCED IN THE UNITED STATES FROM A LIST OF POSSIBLE SUPPLIERS IF ANY DEFENDANT KNOWS OR HAS REASON TO BELIEVE THAT ANY PERSON, OTHERWISE QUALIFIED, HAS BEEN EXCLUDED FROM SUCH LIST BECAUSE IT IS A UNITED STATES BLACKLISTED PERSON; AND

-- MAINTAINING OR USING FOR ANY OF THE PROHIBITED PURPOSES LISTED ABOVE ANY LIST WHICH ANY DEFENDANT KNOWS

OR HAS REASON TO BELIEVE IS A LIST OF UNITED STATES BLACKLISTED PERSONS, OR IS A LIST FROM WHICH BLACKLISTED PERSONS HAVE BEEN EXCLUDED.

IN ACCORDANCE WITH THE ANTITRUST PROCEDURES AND PENALTIES ACT OF 1974, A COMPETITIVE IMPACT STATEMENT REGARDING UNCLASSIFIED

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THE PROPOSED JUDGMENT HAS BEEN FILED WITH THE COURT. BOTH THE PROPOSED JUDGMENT AND THE COMPETITIVE IMPACT STATEMENT ARE AVAILABLE FOR INSPECTION AND COPYING ON REQUEST IN THE LEGAL PROCEDURE UNIT OF THE ANTITRUST DIVISION, ROOM 3305, DEPARTMENT OF JUSTICE, WASHINGTON, D.C. 20530.

THEY ARE ALSO FILED AND AVAILABLE FOR INSPECTION IN THE OFFICE OF THE CLERK OF THE COURT IN SAN FRANCISCO, 450 GOLDEN GATE AVENUE, SAN FRANCISCO, CALIFORNIA 94102.

COMMENTS TO THE DEPARTMENT AND THE COURT REGARDING THE PROPOSED JUDGMENT ARE INVITED FROM MEMBERS OF THE PUBLIC WITHIN 60 DAYS, AND SHOULD BE ADDRESSED TO JOEL DAVIDOW, CHIEF, FOREIGN COMMERCE SECTION, ANTITRUST DIVISION, DEPARTMENT OF JUSTICE, WASHINGTON, D.C. 20530. UNQUOTE.

2. POSTS SHOULD DRAW ON THIS INFORMATION IN RESPONSE TO ANY INQUIRIES ON THE MATTER.
ROBINSON

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Sent Date: 11-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: WBLOCKWOOD:VJW
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From: STATE
Handling Restrictions: n/a
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Litigation History:
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TAGS: ETRD, PFOR, XF, US, BECHTEL, BECHTEL CORP
To: ALL POSTS BAGHDAD
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Review Markings:
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